

ABAecom

PKI Technical Working Group (NIST)
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EC & the 'Net



PKI, Banks & Trust



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Why such interest?

TODAY

- 37% of the US population online
- Half of the population aged 16-34 online
- 13 million online are over age 50
- 20 million have already made purchases online

Why such interest?

By 2002

- Households on the Net expected to grow to 68%
- E-mail users expected to grow from 30 million to 135 million
- E-Commerce expected to grow from \$8 Billion to **\$1.3 trillion** in the United States

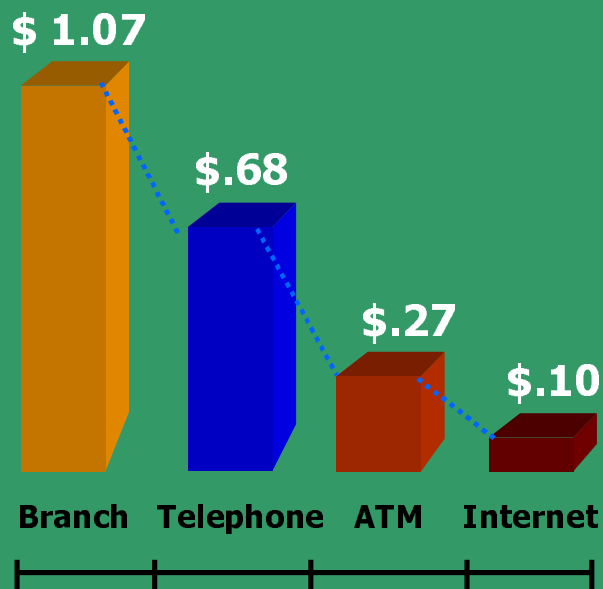
Intermediaries in Many Industries are Under Siege



- **Car Dealers - Auto-by-Tel, CarPoint**
- **Real Estate Brokers - Visual Properties**
- **Newspapers - C|Net, Excite, Yahoo!, AOL**
- **Stock brokers - E*Trade, eSchwab,
Ameritrade**
- **Insurance agents - Quicken Financial
Services**

New Competitors Turning Assets into Liabilities

Average cost per transaction
in retail banking





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What's Needed?

Creating Trust on the Internet

Trust

- Function of relationships
- Function of policies & procedures
- Function of controls
- Function of oversight
- Function of technology

Components: Technology as Trust

Digital Certificates

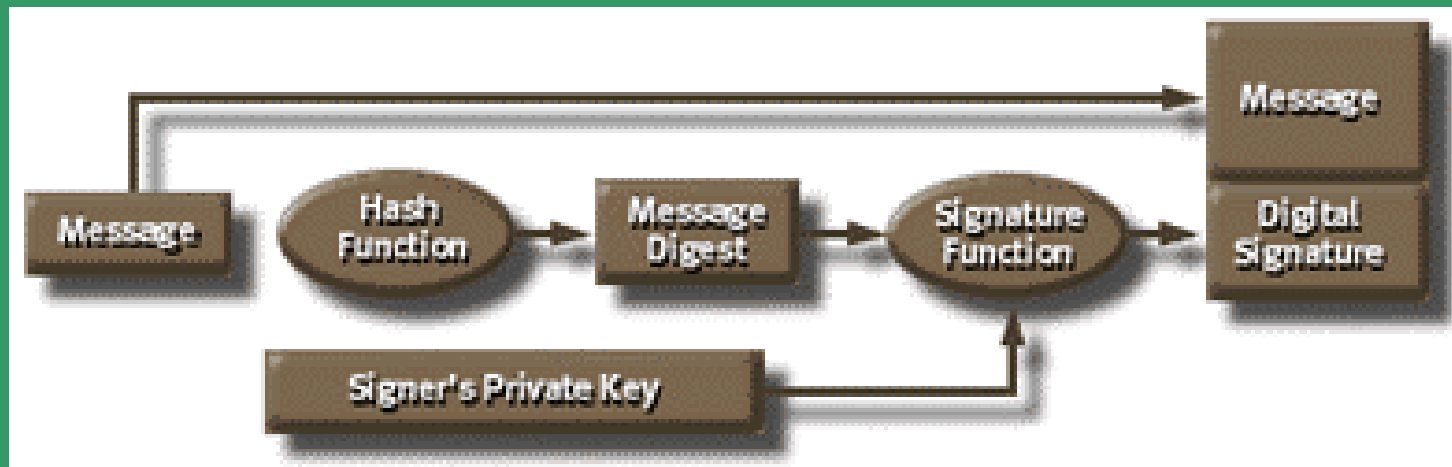
- *A digital certificate identifies you on the Internet.*
- *It is used in conjunction with a public key infrastructure.*
- *A digital certificate is issued by a Certificate Authority (CA)-- a trusted third party.*

Public Key Infrastructure (PKI)

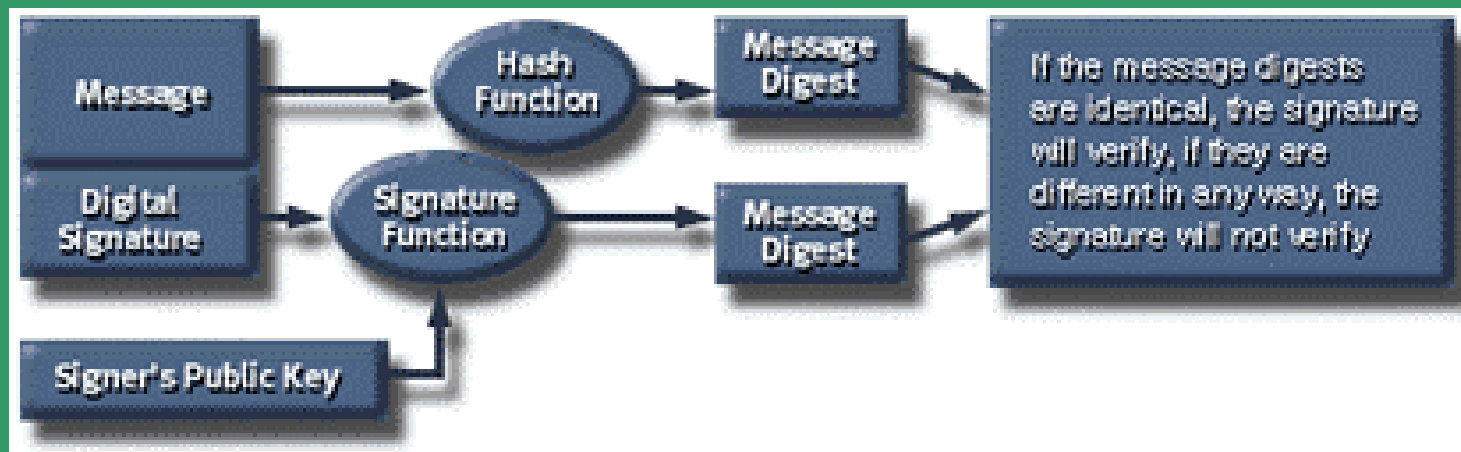
- *Policies, management, structure, and technology, necessary for digital certificates to be issued and used.*



Digital Signatures



Creating...



Verifying...

Likely candidates for “TTP” role

- Government Agencies
- Financial Institutions
- Employers (In their own COI)
- Miscellaneous Others

Trust is a Hot Commodity

- **Banks are traditional keepers of trust**
- **The Internet challenges our notion of who to trust**
 - **Consumers fear online transactions**
 - **New intermediaries are competing to offer financial services**
 - **Replacing existing financial institutions**
 - **Offering completely new services**
 - **e.g. E-Loan, Telebank, Yahoo, Intuit**

Banks' Strategic Advantages

BANKS ARE ESPECIALLY SUITED TO PERFORM TRUSTED-PARTY ROLES IN ELECTRONIC COMMERCE:

- **TRUST**

- *Historical and Commercial Role of providing trust*

- **Distribution & Identification**

- *Bank in virtually every community*
- *Touching virtually all adults & businesses*
- *Identification & verification of individuals and accounts*

- **Regulation and Oversight**

- **Information and Knowledge**

- *Personal characteristics*
- *Assets*

- **Technology, Security, Certainty**



The “Last Mile” of Authentication

For a digital certificate to hold real value it must be issued by a trusted entity-- such as a bank.

Would you buy trust from a technology company?



There's Still a Problem

- Who will identify the banks?
- Who will create standards?
- How will they interoperate?
- Who will regulate them?



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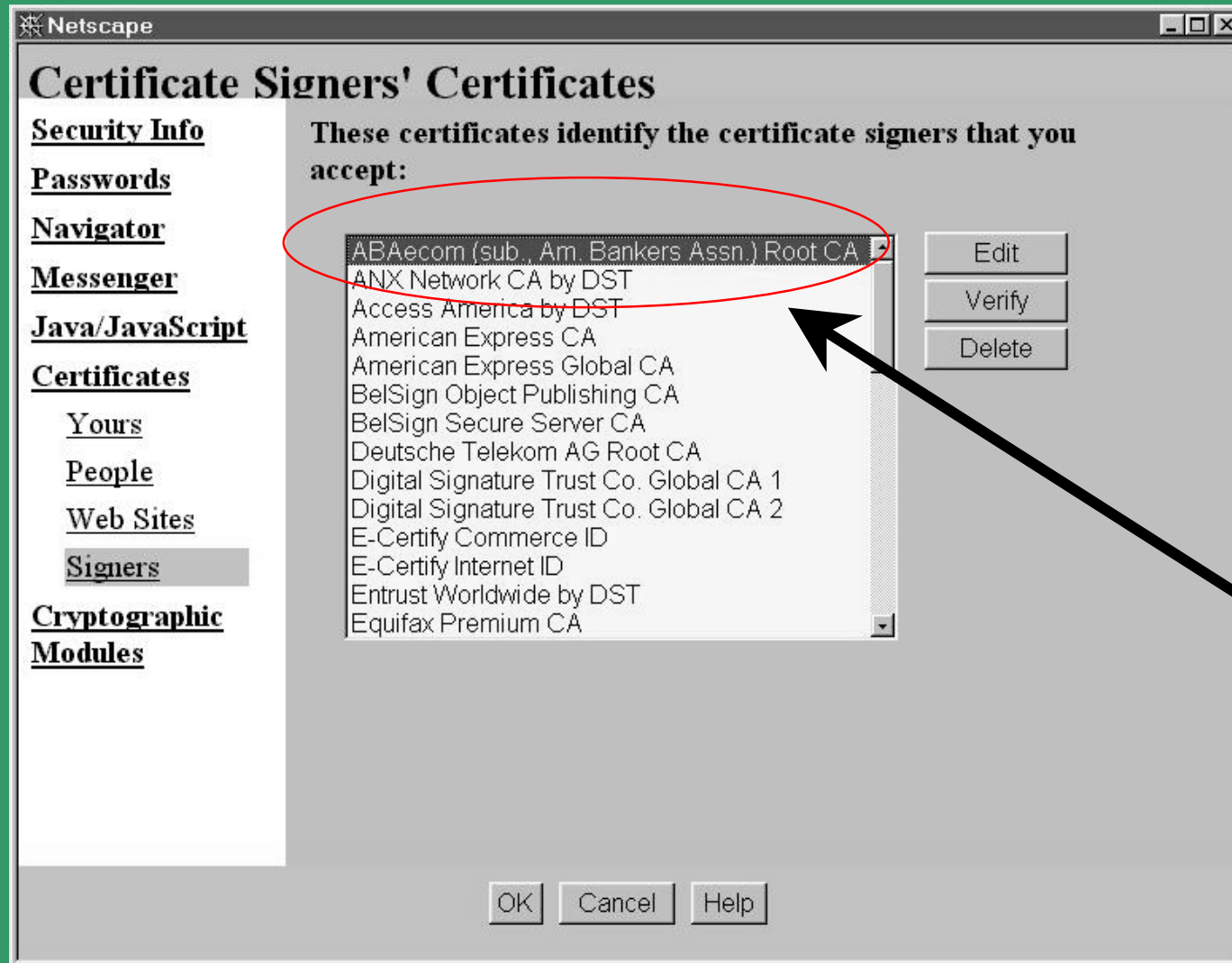


ABAecom

Introduction to ABAecom

- **Subsidiary of American Bankers Association and partner with Digital Signature Trust Co.**
- **Mission is to facilitate bank industry's role in electronic commerce**
- **Will function as root certificate authority for financial services industry**
- **Will provide CA services to banks and key cross certification functions**
- **ABAecom Policy Advisory Committee**

ABAecom Trusted Root



**ABAecom
Root
(Netscape
v. 4.5.1 and
later)**

SiteCertain



- **Web site authentication seal**
- **ABAecom I&A (for today and tomorrow)**
- **100+ registrants and growing**
- **SiteCertain is free to ABA members and banks can register for the seal online.**
(click on “Products & Services” at www.abaecom.com)

Value proposition for the banking industry
Banks will be able to offer SiteCertain to their customers (e.g. merchants wishing to enhance security of their web site).

Policy Advisory Committee

- **Propose and craft policies relating to public key infrastructure technologies and electronic commerce applications (for ABA, ABAecom and industry-wide).**
- **Representatives from financial services, investment, insurance, legal and policy organizations.**

ABAecom Partner Digital Signature Trust Co.

- Based in Salt Lake City
- Part of Zions Bancorp
- DST First Licensed Certificate Authority in US
- First Bank Approved by OCC to be Certificate Authority
- PKI, CA, Repository Services

Adopting The Internet E-model is Critical

- **The bottom line is that banks and existing institutions of trust need a strategy to position themselves into the Internet model**
- **A strategy that leverages their:**
 - existing brand awareness (reputation of trust)
 - existing market share (“installed base”)
 - existing role as a trusted financial intermediary
 - introduce new services faster, better and more cost effectively than the “new intermediaries”

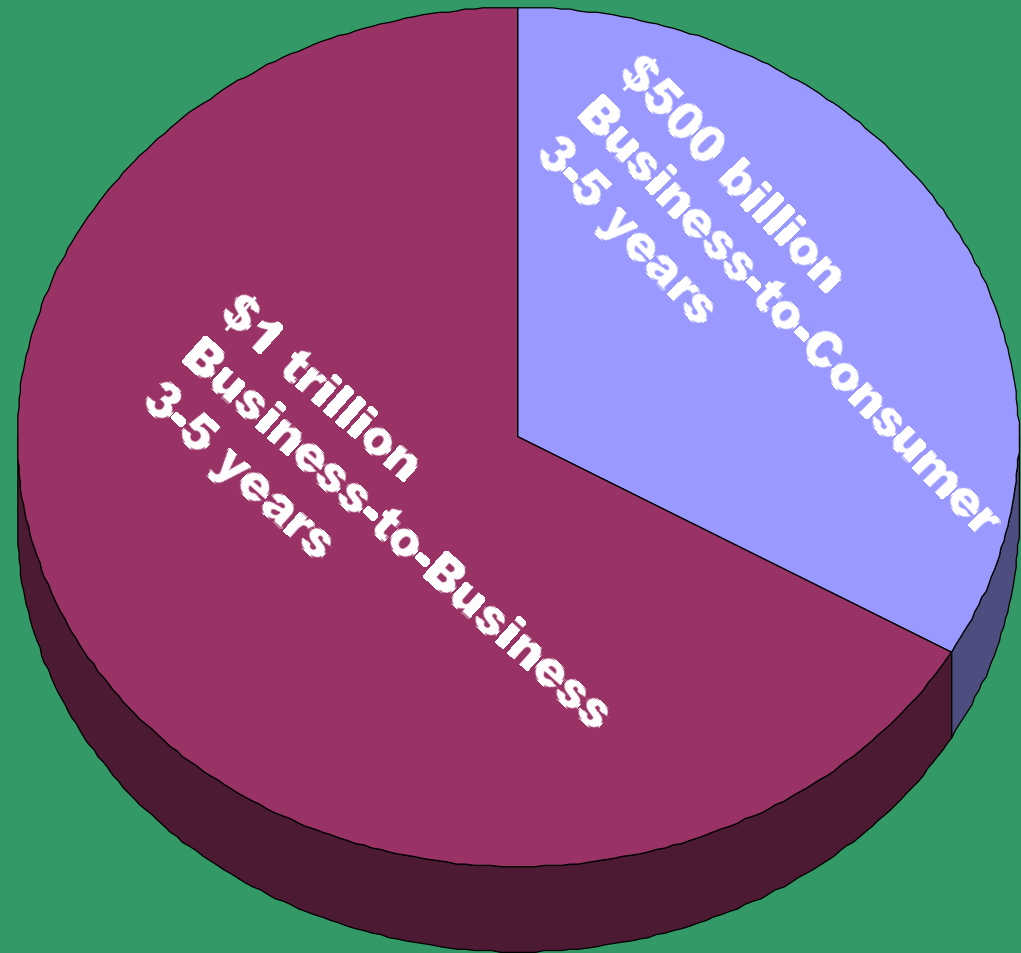


ABAecom (Certs at Internet speed)

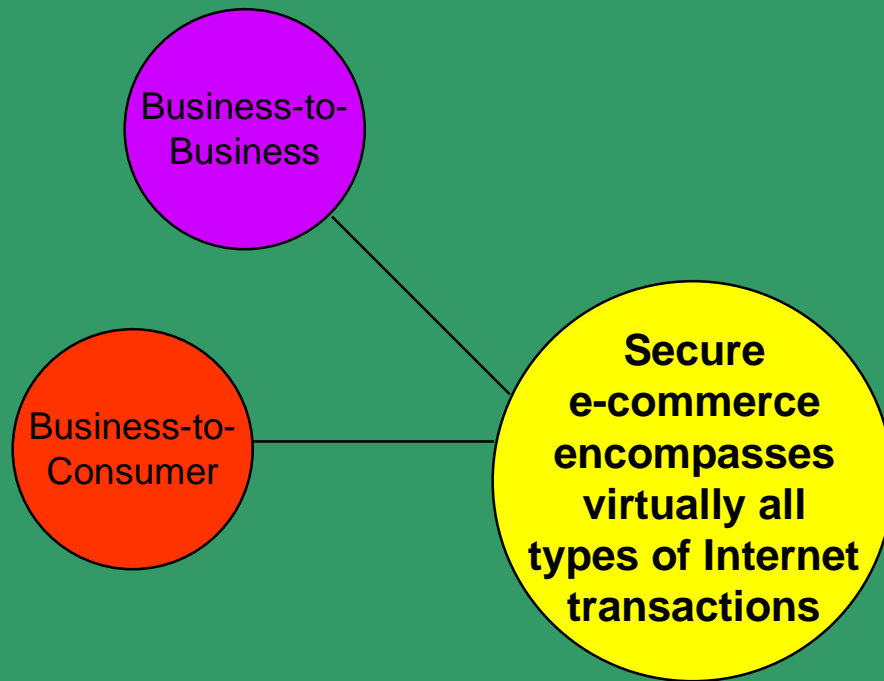
Trusted, Secure E-Commerce Only Part of the Story

Business-to-Business
e-commerce will reach
over \$1 trillion.
Business-to-Consumer
e-commerce is
expected to reach
\$500 billion.

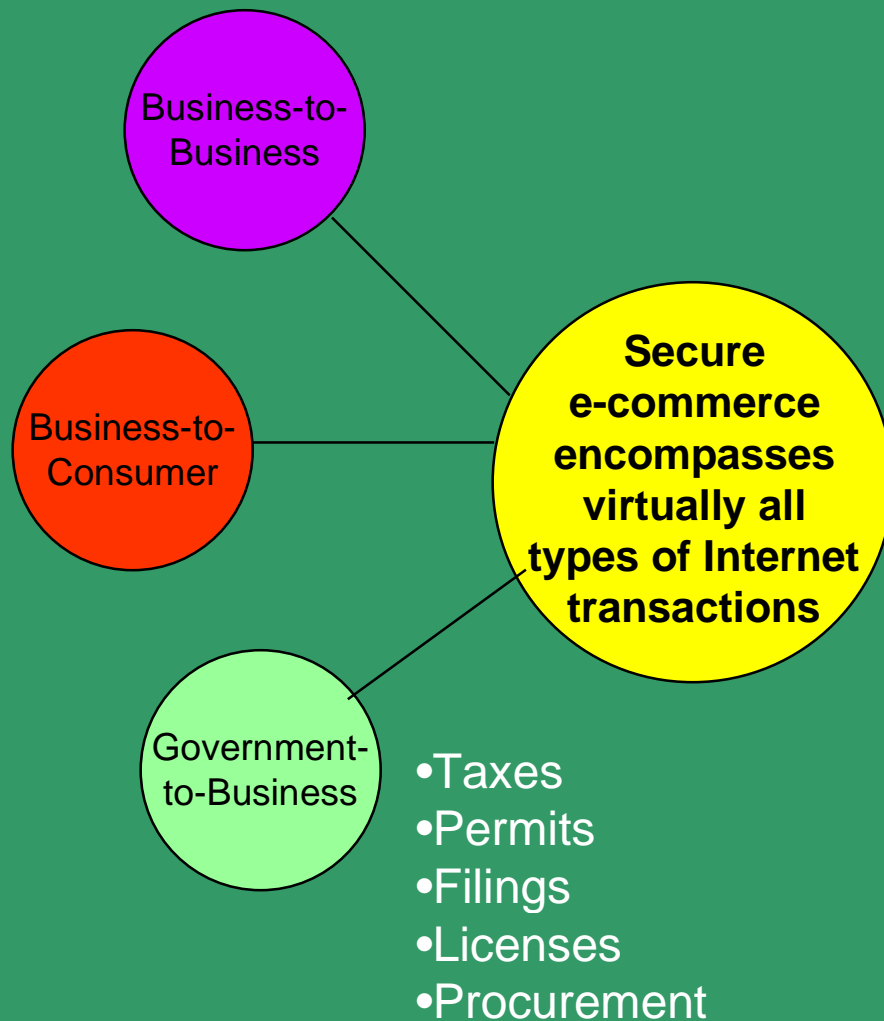
These do not reflect
the breadth of potential
secure transactions
over the Internet.



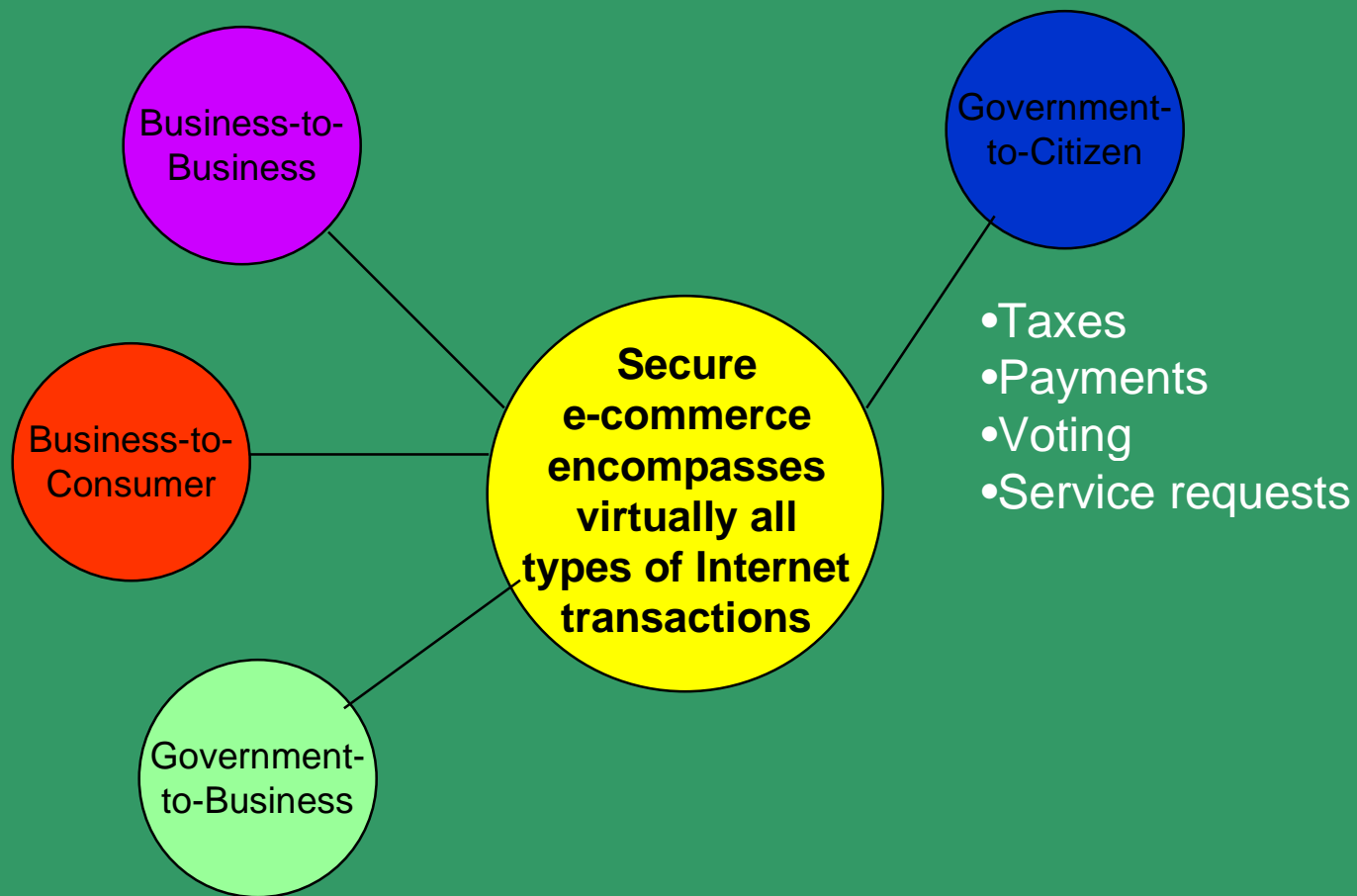
Wired World



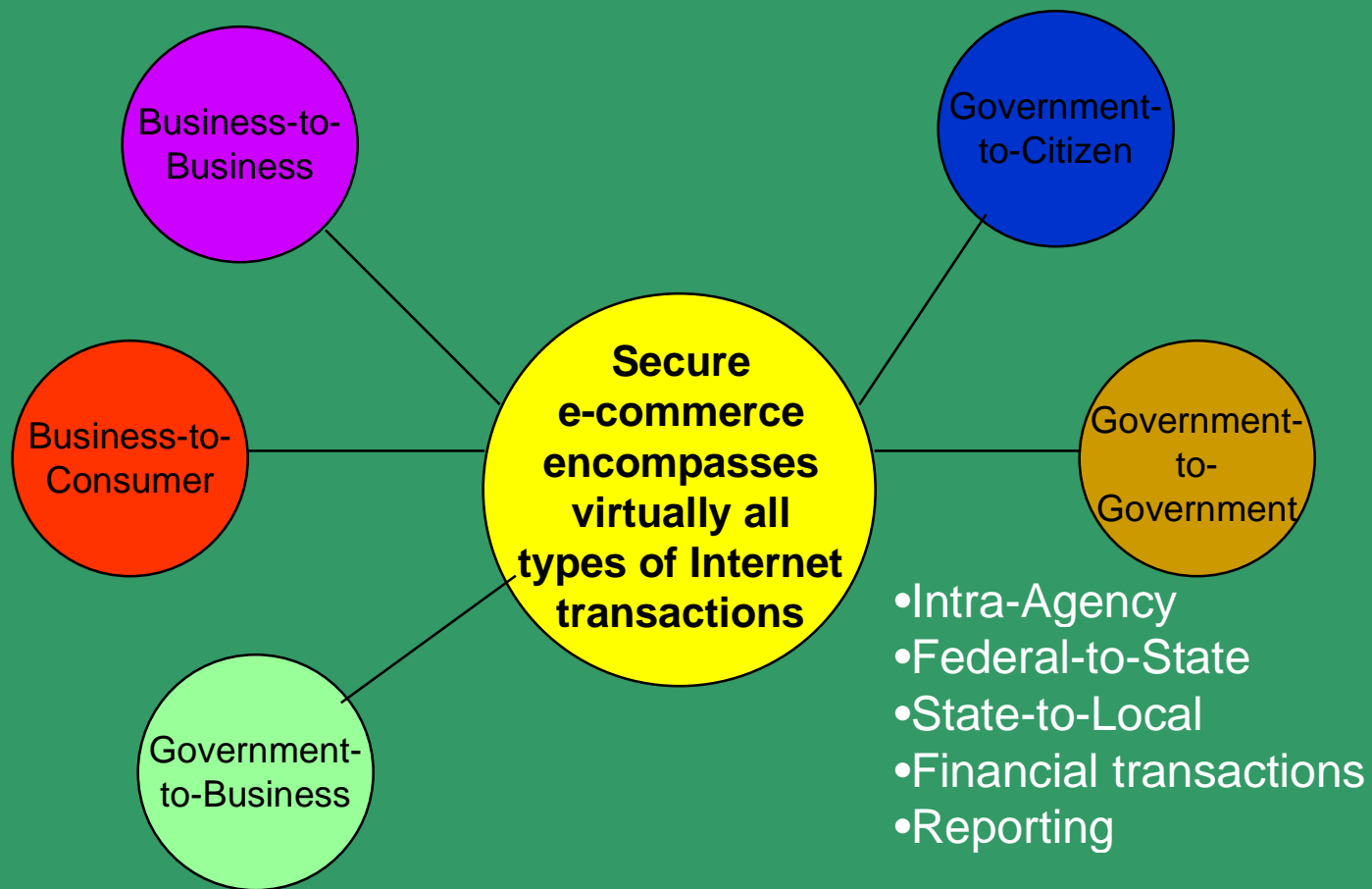
Wired World



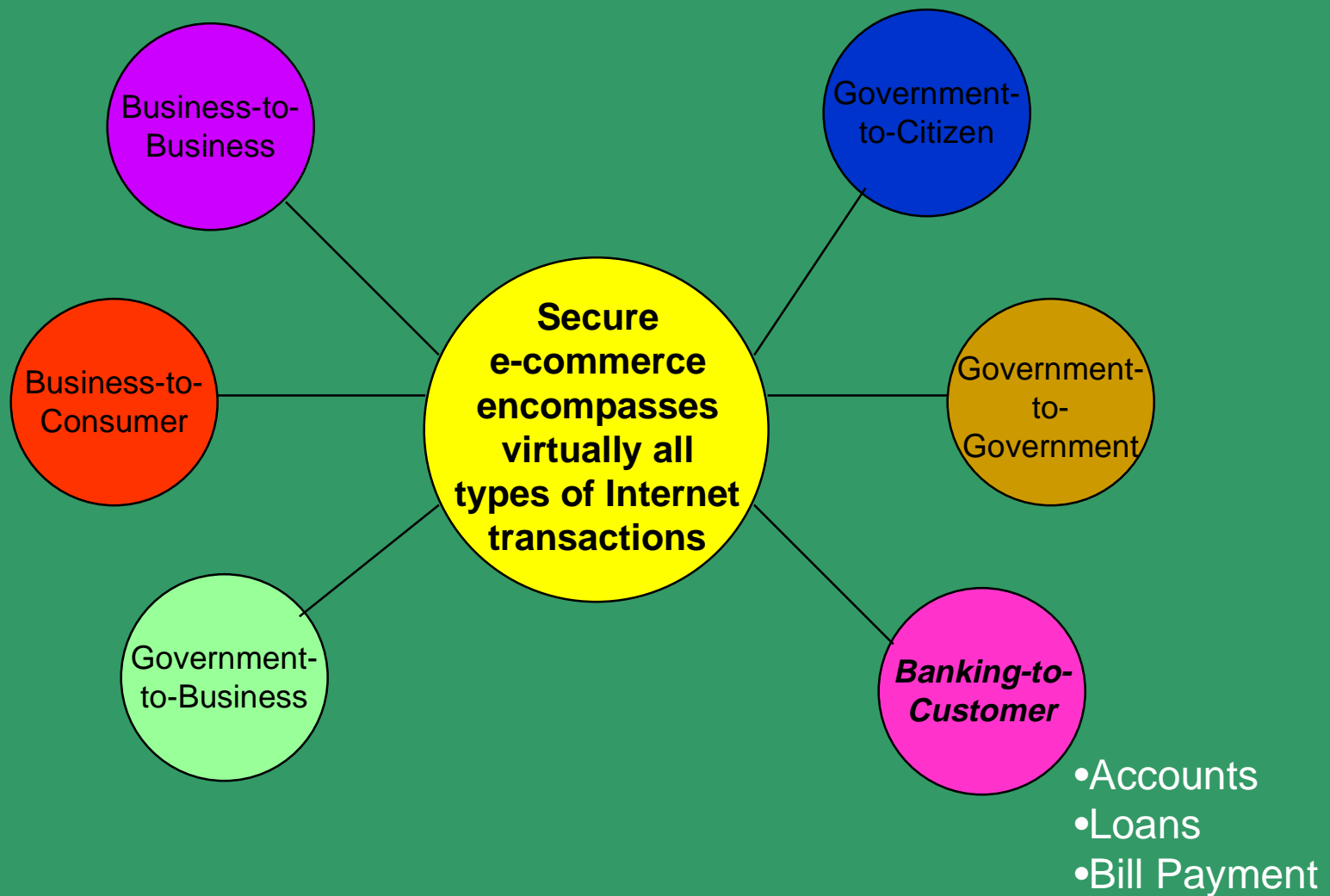
Wired World



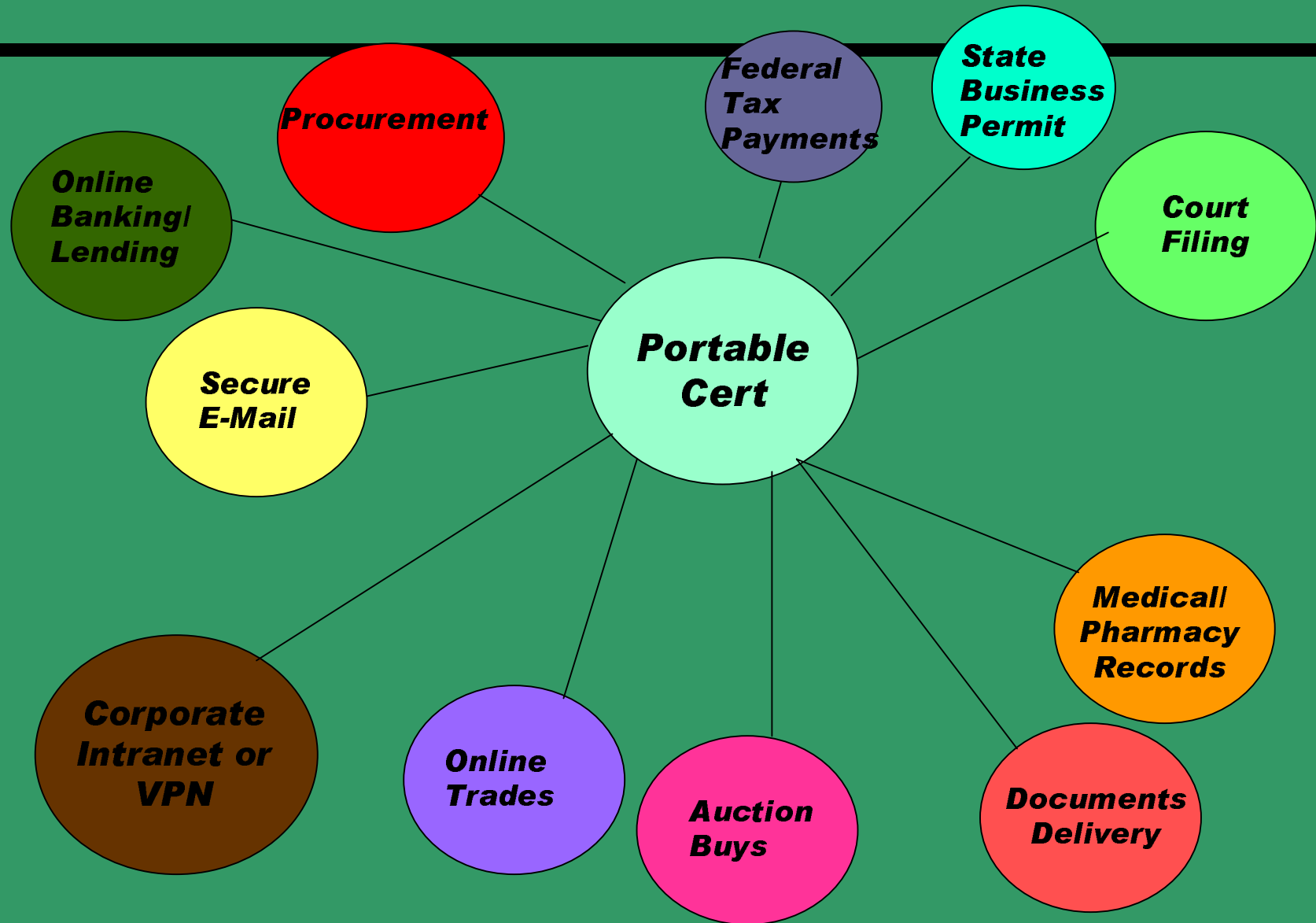
Wired World



Wired World



ABAecom's Portable Cert E-Commerce in the New Millennium



Portable Cert™ --Commerce for the New Millennium



- A standards-based, interoperable bank-issued digital certificate.
- Customers get their “portable cert” at their local bank.
- Used in sectors as varied as health, finance, government, and retail.

On the Internet, a portable cert could allow an individual to securely transact business with his or her bank, broker, accountant, the DMV, IRS, SSA, a retail store, online auction house, or other entity, nationwide and globally.

**For more information
visit www.abaecom.com**

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Digital Signature Trust

Facilitating electronic banking and commerce over the Internet.

Product Releases

ABAecom is dedicated to promoting secure electronic commerce and communications in cyberspace, and will serve as a "trusted third-party" for the financial services industry. [Find out more](#) about ABAecom.

Security and the Internet

Our site offers the latest information about ABAecom, digital certificates and public key infrastructure (PKI). We also provide information you need to protect yourself against Internet fraud.

Being a Smart Consumer

ABAecom is a subsidiary of the American Bankers Association (ABA). When using your bank's Web site to conduct transactions and check your personal banking information, always look for the sign of security, the [SiteCertain](#) seal.

Comments or questions about our Web site?
E-mail ABAecom's [Webmaster](#).

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